

# SERS PLAN 2 & 3

## Classified Substitute's Guide

As a classified substitute in a Washington State public school district or educational service district (ESD), you may qualify to participate in the School Employees' Retirement System (SERS). Membership in SERS is optional for classified substitutes.

Your service is reported to the Department of Retirement Systems (DRS) by each employer you work for during the year (see page 2), but contributions are

not deducted from your paycheck. If you qualify and would like to earn SERS service credit for the year, you must contact DRS at the end of the school year and pay the appropriate contributions by requesting a substitute bill.

Use the chart below to find the requirements for obtaining service credit.

### Membership Requirements for Obtaining Service Credit

TOPICS	NEW MEMBERS	ESTABLISHED MEMBERS
Membership requirement	<ul style="list-style-type: none"> <li>To establish membership for the very first time as a new SERS member, you must work as a classified substitute for 70 or more hours per month for at least five months during a school year.</li> </ul> <p>Exception: If you have past PERS 2 service, you have the transfer rights of an established member (see right-hand column).</p>	<ul style="list-style-type: none"> <li>You're an established SERS member if you already earned service credit and paid contributions.</li> <li>If you have past PERS 2 service, but have not yet established membership in SERS, you are only eligible for transfer rights (see "Transfer rights" topic below).</li> </ul>
Plan Choice	<ul style="list-style-type: none"> <li>You may choose between SERS Plan 2 and 3 when you request your first substitute bill. To learn more about choosing a plan, read the Plan Choice Booklet at <a href="http://www.drs.wa.gov">www.drs.wa.gov</a>.*</li> <li>If you have past PERS Plan 2 service, you don't have a choice. You will be mandated into SERS Plan 2.</li> </ul>	<ul style="list-style-type: none"> <li>You're already a member of SERS Plan 2 or 3.</li> </ul>
Transfer rights	<ul style="list-style-type: none"> <li>As a new member you do not have transfer rights because once you make a plan choice, you remain in your chosen plan.</li> </ul>	<ul style="list-style-type: none"> <li>Established Plan 2 members may transfer to Plan 3 unless you chose Plan 2 under your choice rights. To learn more about choosing a plan, read the Plan Choice Booklet at <a href="http://www.drs.wa.gov">www.drs.wa.gov</a>.*</li> <li>Established Plan 3 members remain in Plan 3.</li> </ul>
Service Credit Application	<p>Mail the following forms to DRS:</p> <ul style="list-style-type: none"> <li>A Classified Substitute's Application for Service Credit.</li> <li>A Member Information Form (MIF) for Classified Substitutes. Carefully consider your choice – it's permanent and you cannot change it.</li> </ul>	<p>Mail the following forms to DRS:</p> <ul style="list-style-type: none"> <li>A Classified Substitute's Application for Service Credit.</li> <li>If you're a Plan 2 member transferring to Plan 3, or you're an established Plan 3 member, you must also fill out a Member Information Form (MIF) for Classified Substitutes.</li> </ul>
Application timing	<ul style="list-style-type: none"> <li>You can apply for service credit beginning in September following the school year you worked.</li> </ul>	<ul style="list-style-type: none"> <li>You can apply for service credit beginning in September following the school year in which you worked.</li> </ul>

\*The 2007 Legislature passed a law to end gain sharing after January 1, 2008. As part of the new law, new members of SERS and TRS will receive the choice of plan 2 or 3. If a court of law decides the repeal of gain sharing is invalid, any new SERS or TRS members after that action would not have a choice between Plan 2 and Plan 3 and would be mandated into Plan 3. For more information about how the new law may affect your plan, please visit [www.drs.wa.gov](http://www.drs.wa.gov).



How Much Service Credit is Established When I Pay My Bill in Full?	
Hours Worked	Service Credit Earned (beginning June 2003)
<ul style="list-style-type: none"> <li>• Less than 630 hours; or</li> <li>• less than nine months of employment within the school year.</li> </ul>	1.0 service credit month for each month you work 90 or more hours
	0.5 service credit month for each month you work at least 70 but less than 90 hours
	0.25 service credit month for each month you work less than 70 hours (but more than zero)
<ul style="list-style-type: none"> <li>• At least 630 but less than 810 hours; and</li> <li>• begin working in September; and</li> <li>• work at least nine months of the school year.</li> </ul>	0.5 service credit month for each month of the school year (Sept. 1 through Aug. 31)
<ul style="list-style-type: none"> <li>• 810 hours or more; and</li> <li>• begin working in September; and</li> <li>• work at least nine months of the school year.</li> </ul>	12 service credit months per school year (Sept. 1 through Aug. 31)

### When will I receive a bill?

Upon receipt of your application materials, DRS will determine the amount of service credit you are eligible to purchase and will send you a bill for the amount due. DRS will apply the service credit to your account once you pay your bill in full, and will bill your employer for the employer contributions due.

### How do I pay my bill?

Payment must be made in full in a lump sum payment. You may make direct payment with a personal check or cashier's check. In many cases it is also possible to transfer funds from another eligible retirement account to purchase service credits (please check with the administrator of your account). DRS is classified by the IRS as a 401(a) account. Funds in excess of billing cannot be transferred to DRS.

To learn more, refer to the SERS member handbooks on the DRS Web site at [www.drs.wa.gov](http://www.drs.wa.gov).

### Will I owe interest on my bill?

The interest-free period lasts through February immediately following the end of the school year in which service was rendered. If you wait to make payment until after the last day of February, you are then charged interest on both member and employer contributions for Plan 2, and employer contributions only for Plan 3.

### Am I required to submit a quarterly report?

You are required to submit a quarterly report to DRS along with your application for service credit only under the following conditions:

- You work for a school district or educational service district (ESD) and are purchasing service credit for

- a period of time before the 2004-05 school year.

- You work for a higher education employer or for the School for the Deaf or School for the Blind.

### What if I withdrew my SERS contributions?

If you were previously a member of SERS Plan 2 and withdrew your contributions, you can reestablish your membership. To reestablish membership in Plan 2 you must:

- Work as a classified substitute for five months for at least 70 or more hours per month during a school year; and
- Complete the attached Classified Substitute's Application for Service Credit and purchase service credit for that year; and
- Pay the service credit bill in full.

If you are a Plan 3 member and withdrew your contributions, you may continue to apply for service credit in Plan 3 for substitute time you worked.

### Contact information

**Web site:** [www.drs.wa.gov](http://www.drs.wa.gov)

**E-mail:** [recep@drs.wa.gov](mailto:recep@drs.wa.gov)

**Telephone:** 1-800-547-6657; or (360) 664-7000 in the Olympia area

**TDD:** 1-866-377-8895; or (360) 586-5450 in the Olympia area

**Fax:** (360) 664-7336

**Address:** P.O. Box 48380, Olympia WA 98504-8380

Washington State  
Department of Retirement Systems

## School Employees' Retirement System (SERS) Plan 2 and 3

Return completed form to:

Post Office Box 48380  
Olympia, WA 98504-8380

Toll Free: 1-800-547-6657  
Olympia Area: 360-664-7000  
TDD: 360-586-5450

# Classified Substitute's Application for Service Credit

### Instructions:

#### When to apply –

- Applications are accepted beginning in September following the school year you worked.

#### What to submit to DRS with this signed application –

- A completed, signed Member Information Form (MIF) for Classified Substitutes, if required.
- Copies of any quarterly reports if required (see the explanation on page 2).

#### Where to send the application –

- Department of Retirement Systems  
PO Box 48380  
Olympia, WA 98504-8380

**Interest free deadline:** The interest-free period lasts through February immediately following the end of the school year in which service was rendered. If you wait to make payment until after the last day of February, you are then charged interest on both member and employer contributions for Plan 2, and employer contributions only for Plan 3.

**Beneficiary designation:** If you wish to update your designated beneficiaries, contact your employer or visit the DRS Web site to obtain a Beneficiary Designation form.

### Section A: Applicant information

Applicant name (last, first, middle)

Social Security number

Mailing address

City

State

Zip code

Telephone number

### Section B: Applicant signature

I swear that the information provided in this application and any attached quarterly reports are accurate representations of my substitute activities during the \_\_\_\_\_ - \_\_\_\_\_ school year. I understand that information submitted with this application will be verified by my employers upon receipt of my application. I also understand that under the repeal of gain sharing, new members of SERS receive the choice of plan 2 or 3. If a court of law decides the repeal of gain sharing is invalid, any new SERS members after that action would not have a choice between Plan 2 and Plan 3 and would be mandated into Plan 3.

\_\_\_\_\_  
Signature of applicant

\_\_\_\_\_  
Date signed

This form requests that you provide your Social Security number. Internal Revenue Code Sections 6041 (A), and 6109 authorize the Department of Retirement Systems (DRS) to solicit your Social Security number.

- The disclosure of your Social Security number to DRS is mandatory.
- DRS will use your Social Security number to ensure that any amounts disbursed under your account are properly reported to the Internal Revenue Service and as a reference number for tracking all data with regard to your retirement account.
- DRS will not disclose your Social Security number to any party unless required by law.

**Section C: Work log for school year (please make additional copies if necessary)**

**Example:** This example assumes a salary of \$20/hr and a contribution rate of 3.9% for SERS Plan 2 and 5% for SERS Plan 3.

Employer Name Sample School DistrictSchool Year 2006 - 2007

Month	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Salary Earned	\$800	\$1400	\$1400	\$600	\$1400	\$1400	\$1400	\$1000	\$1000	\$400	\$0	\$0	\$10,800
Hours Worked	40	70	70	30	70	70	70	50	50	20	0	0	540

**Estimated Billing Amount for SERS Plan 2:** \$10,800.00 X 0.039 = \$421.20  
 (Total Compensation) (Contribution Rate) (Billing Amount)

**Estimated Billing Amount for SERS Plan 3:** \$10,800.00 X 0.05 = \$540  
 (Total Compensation) (Minimum Contribution Rate) (Billing Amount)

**1. Employer Name** \_\_\_\_\_ **School Year** \_\_\_\_\_ - \_\_\_\_\_

Month	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Salary Earned													\$
Hours Worked													

**Estimated Billing Amount:** \$ \_\_\_\_\_ X \_\_\_\_\_ = \$ \_\_\_\_\_  
 (Total Compensation) (Contribution Rate) (Billing Amount)

**2. Employer Name** \_\_\_\_\_ **School Year** \_\_\_\_\_ - \_\_\_\_\_

Month	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Salary Earned													\$
Hours Worked													

**Estimated Billing Amount:** \$ \_\_\_\_\_ X \_\_\_\_\_ = \$ \_\_\_\_\_  
 (Total Compensation) (Contribution Rate) (Billing Amount)

**3. Employer Name** \_\_\_\_\_ **School Year** \_\_\_\_\_ - \_\_\_\_\_

Month	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Salary Earned													\$
Hours Worked													

**Estimated Billing Amount:** \$ \_\_\_\_\_ X \_\_\_\_\_ = \$ \_\_\_\_\_  
 (Total Compensation) (Contribution Rate) (Billing Amount)

**4. Employer Name** \_\_\_\_\_ **School Year** \_\_\_\_\_ - \_\_\_\_\_

Month	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Salary Earned													\$
Hours Worked													

**Estimated Billing Amount:** \$ \_\_\_\_\_ X \_\_\_\_\_ = \$ \_\_\_\_\_  
 (Total Compensation) (Contribution Rate) (Billing Amount)

**Total Estimated Billing Amount:** \$ \_\_\_\_\_

## Member Information Form for Classified Substitutes

For plan, contribution rate and investment program selection

### New SERS members with past PERS Plan 2 Service

Do not complete this form. You will become a member of SERS Plan 2 when you pay your first substitute bill in full. You will have the option to transfer to Plan 3 with future substitute applications.

### New Members

You are a new member if you have never established membership in SERS. SERS substitutes who don't have past PERS Plan 2 service are eligible to choose either Plan 2 or Plan 3.

- Choosing Plan 2 – Complete Sections 1 and 2A
- Choosing Plan 3 – Complete Sections 1, 2A, 3 and 4

### Established Members

You are eligible to transfer to Plan 3 if you have already established membership under SERS Plan 2 and that Plan 2 membership was not a result of an irrevocable plan choice. If you have already established membership under Plan 3, you will remain in Plan 3.

- Transferring to Plan 3 – Complete Sections 1, 2B, 3 and 4
- Returning Plan 3 Members – Complete Sections 1, 3, and 4

## Section 1: Personal Data – To Be Completed by All Members

\_\_\_\_\_  
Social Security number (see back of form)

\_\_\_\_\_  
Last name

\_\_\_\_\_  
First name

\_\_\_\_\_  
MI

\_\_\_\_\_  
Maiden name

## Section 2: Retirement Plan Selection

**Complete either A or B below.**

### A) To be completed by new members.

Choose One: ☐ Plan 2 ☐ Plan 3 (requires completing Sections 3 and 4 on back)

I certify that I have chosen the retirement plan marked above for the calculation of my substitute bill and I understand that upon payment in full of the bill, I will establish membership in the plan I have chosen. I further understand that my plan choice is irrevocable.

\_\_\_\_\_  
Member Signature (required)

\_\_\_\_\_  
Date

### B) To be completed by any Plan 2 member who is eligible to transfer to Plan 3.

I certify that I have chosen to transfer from Plan 2 to Plan 3. I understand upon payment in full of the bill, I will establish membership in Plan 3 and all service and contributions currently posted to Plan 2 will transfer to Plan 3. I further understand that my Plan 3 choice is irrevocable.

\_\_\_\_\_  
Member Signature (required)

\_\_\_\_\_  
Date

### Section 3: Selection of Contribution Rate – To Be Completed by All Plan 3 Members

Place a check mark in the box next to the contribution rate option you choose. If you do not choose an option, your default will be Option A. Once established by selection or default, you may change your rate option with future applications for substitute service credit unless you obtain employment in an eligible non-substitute position.

		Base Rate	Additional Rate	Total Member Contribution Rate
<input type="checkbox"/> Option A	All ages	5.0%	0.0%	5.0%
<input type="checkbox"/> Option B	Up to age 35	5.0%	0.0%	5.0%
	Age 35 to 44	5.0%	1.0%	6.0%
	Age 45 and above	5.0%	2.5%	7.5%
<input type="checkbox"/> Option C	Up to age 35	5.0%	1.0%	6.0%
	Age 35 to 44	5.0%	2.5%	7.5%
	Age 45 and above	5.0%	3.5%	8.5%
<input type="checkbox"/> Option D	All ages	5.0%	2.0%	7.0%
<input type="checkbox"/> Option E	All ages	5.0%	5.0%	10.0%
<input type="checkbox"/> Option F	All ages	5.0%	10.0%	15.0%

\_\_\_\_\_  
Member Signature (required)

\_\_\_\_\_  
Date

### Section 4: Selection of Investment Program – To Be Completed by All Plan 3 Members

You can obtain information about both investment programs by contacting ICMA-RC toll-free at 1-888-711-8773. If you do not choose a program, your contributions will be reported into WSIB.

Place a check mark in the box next to the investment program you choose:

- ☐ **Washington State Investment Board (WSIB) Investment Program.**
- ☐ **Self-Directed Investment Program.** Call 1-888-711-8773 or go online at <http://www.icmarc.org/plan3> to set up your investment allocation.

\_\_\_\_\_  
Member Signature (required)

\_\_\_\_\_  
Date

This form requests that you provide your Social Security number. Internal Revenue Code Sections 6041 (A), and 6109 authorize the Department of Retirement Systems (DRS) to solicit your Social Security number.

- The disclosure of your Social Security number to DRS is mandatory.
- DRS will use your Social Security number to ensure that any amounts disbursed under your account are properly reported to the Internal Revenue Service and as a reference number for tracking all data with regard to your retirement account.
- DRS will not disclose your Social Security number to any party unless required by law.